

Message Text

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PAGE 01 STATE 012690
ORIGIN XMB-04

INFO OCT-01 ARA-10 ISO-00 EB-08 COME-00 TRSE-00 FRB-03
OPIC-03 AID-05 IGA-02 L-03 /039 R

XMB

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-----039870 181427Z /43
R 172112Z JAN 78
FM SECSTATE WASHDC
TO AMEMBASSY BOGOTA

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E.O. 11652:N/A

TAGS: EFIN, CO

SUBJECT:COLOMBIA - SALE OF VARIOUS TYPES OF CONSTRUCTION
EQUIPMENT TO THE MINISTERIO DE OBRAS PUBLICAS Y TRANSPORTE.
U.S. EXPORT VALUE - UP TO 22 MILLION DOLLARS

1. SEVERAL U.S. MANUFACTURERS HAVE APPROACHED EXIMBANK ON
ABOVE REFERENCED PROJECT. THEY ALLEGE THAT THE EAST
GERMANS HAVE OFFERED TO PROVIDE DOLS 25 MILLION IN
CONSTRUCTION EQUIPMENT ON TERMS OF 6 PERCENT REPAYABLE
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OVER 10 YEARS (2 YEAR GRACE PLUS 8 YEAR PAYBACK). THESE
TERMS CLEARLY EXCEED NORMAL COMMERCIAL TERMS OF 5 YEARS
AFTER SHIPMENT FOR THIS TYPE EQUIPMENT. ALL U.S. SUPPLIERS
APPEAR EAGER TO BID ON THIS SALE CONTAINED IN TENDER
NUMBER DGCF-001/77 REQUIRING SUBMISSION OF BIDS BY
FEBRUARY 28, 1978.

2. WE HAVE BEEN INFORMED THAT THE EAST GERMAN FINANCING
OFFER IS PART OF A BILATERAL TRADE AGREEMENT BETWEEN

COLOMBIA AND EAST GERMANY WHEREBY IF COLOMBIA FAILS TO PURCHASE THE SPECIFIED QUANTITY OF EAST GERMAN GOODS, THE DIFFERENCE BETWEEN ACTUAL AND REQUIRED PURCHASES IS CONVERTED INTO A TERM LOAN WITH ABOVE REFERENCED TERMS. FURTHER WE ARE INFORMED THAT THE GOVERNMENT OF COLOMBIA

IS PRESSURING THE MINISTERIO DE OBRAS PUBLICAS TO PURCHASE 25 MILLION DOLLARS OF EAST GERMAN CONSTRUCTION EQUIPMENT TO FULFILL A PART OF THIS SHORTFALL. WE DO NOT KNOW IF THE INTERNATIONAL BID IS A FREE AND OPEN SITUATION OR WAS CONTRIVED TO PLACATE PROTESTS FROM COLUMBIAN REPRESENTATIVES OF FOREIGN CONSTRUCTION EQUIPMENT MANUFACTURERS.

3. WE REQUEST EMBASSY ASSISTANCE IN FOLLOWING AREAS:

A) VERIFICATION OF TERMS OF EAST GERMAN OFFER
B) EMBASSY EVALUATION OF OPENNESS OF BIDDING SITUATION AND THE PROSPECTS OF MINISTERIO DE OBRAS PUBLICAS PURCHASING U.S. EQUIPMENT IF EXIMBANK OFFERS A REPAYMENT TERM OF 5 TO 7 YEARS AFTER SHIPMENT.

4. SOONEST REPLY REQUESTED. CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CONSTRUCTION EQUIPMENT, PROPOSALS (BID)
Control Number: n/a
Copy: SINGLE
Draft Date: 17 jan 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE012690
Document Source: CORE
Document Unique ID: 00
Drafter: J KEANE
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780026-1057
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780154/aaaabtbv.tel
Line Count: 83
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 53c4cfe2-c288-dd11-92da-001cc4696bcc
Office: ORIGIN XMB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3760612
Secure: OPEN
Status: NATIVE
Subject: COLOMBIA - SALE OF VARIOUS TYPES OF CONSTRUCTION EQUIPMENT TO THE MINISTERIO DE OBRAS PUBLICAS Y TRANSPORTE. U.S. EXPORT VALUE - UP TO 22 MILLION DO LLARS
TAGS: EFIN, CO, US, GC
To: BOGOTA
Type: TE
vdkgvkey: odb://SAS/SAS.dbo.SAS_Docs/53c4cfe2-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014